

Section 1007

SEC. 1007. IMPROVEMENTS IN PURCHASE CARD MANAGEMENT.

(a) PURCHASE CARD MANAGEMENT IMPROVEMENTS -

Section 2784 of title 10, United States Code, is amended --

- (1) in subsection (a), by striking ', acting through the Under Secretary of Defense (Comptroller),'; and
- (2) by adding at the end of subsection (b) the following:

'(7) That periodic reviews are performed to determine whether each purchase card holder has a need for the purchase card.

'(8) That the Inspector General of the Department of Defense, the Inspector General of the Army, the Naval Inspector General, and the Inspector General of the Air Force perform periodic audits to identify--

'(A) potentially fraudulent, improper, and abusive uses of purchase cards;

'(B) any patterns of improper card holder transactions, such as purchases of prohibited items; and

'(C) categories of purchases that should be made by means other than purchase cards in order to better aggregate purchases and obtain lower prices.

'(9) That appropriate training is provided to each purchase card holder and each official with responsibility for overseeing the use of purchase cards issued by the Department of Defense.

'(10) That the Department of Defense

has specific policies regarding the number of purchase cards issued by various organizations and categories of organizations, the credit limits authorized for various categories of card holders, and categories of employees eligible to be issued purchase cards, and that those policies are designed to minimize the financial risk to the Federal Government of the issuance of the purchase cards and to ensure the integrity of purchase card holders.

'(c) PENALTIES FOR VIOLATIONS -

The regulations prescribed under subsection

(a) shall --

'(1) provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the Department of Defense violate such regulations or are negligent or engage in misuse, abuse, or fraud with respect to a purchase card, including removal in appropriate cases; and

'(2) provide that a violation of such regulations by a person subject to chapter

47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).'

(b) CONFORMING AND CLERICAL AMENDMENTS -

(1) Section 2784 of such title is further amended --

(A) in the section heading, by striking 'credit' and inserting 'purchase';

(B) in the heading of subsection (a), by striking 'CREDIT' and inserting 'PURCHASE'; and

(C) in subsection (a) and

paragraphs (1) through (6) of subsection (b), by striking 'credit' and inserting 'purchase' each place it appears.

(2) The table of sections at the beginning of chapter 165 of such title is amended by striking the item relating to section 2784 and inserting the following:

'2784. Management of purchase cards.'